

RDMD/Planning and Development Services

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DATE: November 9, 2004

TO: Orange County Planning Commission

FROM: RDMD/PDS/Current and Advanced Planning Services

SUBJECT: Public Hearing on Planning Applications PA03-0075, PA03-0076, PA03-0077 and PA03-0078 for Coastal Development Permits.

PROPOSAL: The project applicant is submitting four Coastal Development Permit (CDP) applications requesting County of Orange (County) approval of the Pelican Hill resort project, a tourist commercial and visitor serving destination resort. Resort components include the construction and operation of the following:

PA03-0075 Pelican Hill Lower Casitas - 76 time-share casitas that will be 1- and 2-story buildings with 3 or 4 bedrooms in each unit. In addition, an approximately 9,750-sq. ft. recreation center will be built for the use of guests of the upper and lower casitas.

PA03-0076 Pelican Hill Inn - a hotel consisting of 204 overnight/visitor accommodations, a day spa, a pool, restaurants and bars, conference and meeting areas, retail commercial, and a parking structure in support of those uses.

PA03-0077 Pelican Hill Golf Club - a new, approximately 36,500-sq. ft. clubhouse facility, including a pro shop, locker rooms, a restaurant, an office, a parking structure, and a new golf cart bridge over Pelican Hill Road South to provide access to the golf course starting holes. Minor modifications will be made to the existing golf practice facilities.

PA03-0078 Pelican Hill Upper Casitas - 52 time-share casitas that will be 2-story "stacked flats" with four units per building.

LOCATION: The proposed Pelican Hill resort is located in the 9,493-acre Newport Coast Planned Community (NCPC) in the coastal foothills of Orange County, which is now a part of Newport Beach. The area covered by the proposed Coastal Development Permits is Planning Area 13C, 13D, 13E, 13F and Golf Course Planning Area 10A of the Newport Coast Local Coastal Program, Second Amendment. Specifically, the project is located northeast of Pacific Coast Highway and north of Newport Coast Drive off Pelican Hill Road South. Fifth Supervisorial District.

APPLICANT: The Irvine Company

STAFF William V. Melton, Planner IV

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SYNOPSIS: RDMD/PDS/Current and Advance Planning Services has determined that this resort proposal is in conformance with the site development regulations of the Newport Coast Planned Community/Local Coastal Program and recommends Planning Commission adoption of the attached Resolutions approving PA03-0075, PA03-0076, PA03-0077 and PA03-0078 for Coastal Development Permits.

BACKGROUND:

All new development projects within the coastal zone boundary of the Newport Coast Planned Community are subject to County approval of a Coastal Development Permit (CDP) in compliance with Chapter 10, "Discretionary Permits and Procedures" of The Newport Coast LCP and with the County's CD "Coastal Development" District Regulations (Orange County Zoning Code Section 7-9-118).

The Master CDP and subsequently approved amendments have facilitated master infrastructure and residential development in a majority of the area within the Newport Coast Planned Community. The planning applications submitted herewith have been prepared to address land uses in Planning Areas 13C, 13D, 13E, 13F and 10A. These four applications serve as the project level Coastal Development Permits for the precise grading of development pads, construction of all necessary infrastructure and streets and for the construction of tourist commercial, recreation and related accessory uses. These CDPs specify proposed numbers of hotel/casitas units, building envelopes, and related infrastructure details to be constructed. Overall, the project proposes development of a 204-unit hotel, 52 upper casitas units, 76 lower casitas units, a golf clubhouse facility, event center, parking structures and a recreation center.

The Master Coastal Development Permit (CD88-11) created Tourist Commercial Development Areas (Planning Areas 13A through 13F, 14 and 20A). Planning Areas 13A through 13F, along with the Golf Course Planning Areas 10A and 10B, will encompass the Pelican Hill Resort Area. The concept of a destination resort was first established in the Irvine Coast Development Agreement of 1988 and further provided for in the Newport Coast Local Coastal Program – Second Amendment certified by the California Coastal Commission in 1996. Together, these documents provide the controlling regulations for a variety of visitor-oriented uses for the destination resort, predominantly in Planning Areas 13A through 13F, including golf courses, hotels, related commercial uses and vacation ownership opportunities. The proposed project furthers the goals outlined in these documents by providing for a visitor-serving destination resort.

A number of off-site modifications will be required in association with the proposed development. These improvements will include a golf cart bridge, median landscaping, fuel modification, street modifications, coastal sage scrub mitigation, and a number of improvements relating to pipelines and pump stations. These improvements are more fully described in Section III of each Coastal Development Permit.

Additionally, the portion of the Inn identified as the Event Lawn is currently within Golf Course Planning Area 10A. Approximately 2.2 acres are proposed to be reallocated from Planning Area 10A to Planning Area I 3C to reflect a modified boundary that corresponds to the Coastal Development Permit boundary

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along the westerly portion of the Inn pool area, the event lawn, and three of the bungalow buildings. Per the Local Coastal Program - Second Amendment requirement, the boundary adjustment does not exceed 10% of the acreage for each Planning Area.

SURROUNDING LAND USE:

Direction	Planning Area	Land Use Designation	Existing Land Use
Project Site	13C 13D 13F/10A	Tourist Commercial/Golf Course	Golf Course, Clubhouse, practice area and vacant
North	11B/1C	Recreation/High Den Residential	Private open space/residential
South	10A	Golf Course	Golf course
East	1A/1B	High Den/Med Den Residential	Single-family Residential
West	13A/13B	Tourist Commercial	Marriott time share resort



REFERRAL FOR COMMENT AND PUBLIC NOTICE:

A Notice of Hearing was mailed to all property owners of record within 300 feet of the subject site, governmental agencies, private organizations and persons who have previously requested to receive notices for large-scale developments within the Newport Coast Planned Community and the California Coastal Commission. Coastal Development regulations also require mailing of the notice to the resident of a house within 100 feet of the subject site. However, there are no homes within 100 feet of the sites. Additionally, notices were posted at the site (one notice at each site for the four Coastal Development Permits) and a notice was posted at the 300 N. Flower Building and where required by established public hearing posting procedures. A copy of the planning application and a copy of the proposed plan were distributed for review and comment to County Divisions, the City of Newport Beach, Friends of the Irvine Coast and the Coast Keepers.

COMMENTS RECEIVED

During the Notice of Preparation public review period (December 18, 2003 through January 20, 2004) at the project scoping meeting held January 15, 2004, and during the Supplemental Environmental Impact Report #596 public review, a number of issues were raised by the community in relation to the proposed project. The issues primarily focused on impacts from the Upper Casitas and the parking structures proposed for the Pelican Hill Inn and Golf Club on adjacent residences in Pelican Crest and Pelican Hill. During the processing of the project entitlements through the County, the project applicant has been discussing possible modifications with adjacent homeowners to alleviate issues of concern. The resulting design modifications are summarized later in this report and explained in detail in Exhibit 7 to this report.

CEQA COMPLIANCE:

A Draft Supplemental Environmental Impact Report #596 (SEIR) dated April 13, 2004, was prepared by BonTerra Consulting for the proposed project consisting of four Planning Applications for Coastal Development Permits. Section 15150 of the CEQA Guidelines allows an EIR to incorporate by reference documents that provide relevant data. The SEIR identified the following previous EIRs as relevant to the proposed project development: FEIR 134, FEIR 237, FEIR 460, FEIR 486, FEIR 485, FEIR 511, FEIR 524, FEIR 528 and FEIR 553. Together, the SEIR and Final EIRs are adequate to address the environmental effects of the project. Prior to project approval, the decision-maker must assert that together they are adequate to satisfy the requirements of CEQA for the proposed project. Appendix A of the attached Draft Planning Commission Resolutions contains the required CEQA Finding for each Coastal Development Permit.

DISCUSSION/ANALYSIS:

The overall concept of the Pelican Hill Resort project is the development of a destination resort hotel consisting of several components, such as related visitor-serving recreational and commercial uses. These elements (or project development components) have been designed to unify, enhance and preserve the

character of the Newport Coast Planned Community to fulfill the visitor-serving intent of the Local Coastal Program. The concept of a destination resort at Pelican Hill was an original component of the 1988 Local Coastal Program. Approval and construction of the Pelican Hill Resort will carry out the goals of the Local Coastal Program and Coastal Act by providing overnight and day use facilities in close proximity to Crystal Cove State Park as well as this entire area of southwest Orange County, provide one of the planned-for components of the destination resort including a broad range of accommodations and recreational facilities to create a relatively self-contained center for visitor activities and enhance traffic benefits by providing overnight facilities near coastal access opportunities.

The four Coastal Development Permits are summarized in the following sections. Detailed descriptions of each Planning Application are contained within the Coastal Development Submittal Package attached.

PA03-0075 – 76-unit lower casitas (Exhibit 3)

The application for the Lower Casitas proposes 76 casitas within a portion of Planning Areas 13D and 13E. The casitas will be visually similar to one and two story single-family homes; however, they will be fully furnished timeshare units. An on-site 9,750 square foot recreational amenity, including a pool and fitness facility, will be located along the north side of the project site.

PA03-0076 – 204-unit inn (Exhibit 4)

The application for the Pelican Hill Inn proposes development of a destination resort hotel with related visitor-serving recreational and commercial uses within Planning Area 13C. The hotel will be a 204-unit bungalow style and associated uses include a day spa, restaurants, associated support retail, event and conference facilities and a pool.

PA03-0077 – Clubhouse and bridge (Exhibit 5)

The application for the Pelican Hill Golf Club proposes a new 36,500 square foot golf club facility, minor modifications to the existing golf practice facilities, a new three-level parking structure and a new golf cart bridge over Pelican Hill Road South. The bridge is only conceptual at this time. A condition of approval requires a Site Development Permit for the final building plans prior to bridge construction. The proposed project is located in Planning Areas 13F (13 acres) and a portion of Planning Area 10A (24 acres).

PA03-0078 – 52-unit upper casitas (Exhibit 6)

The application for the Upper Casitas proposes 52 casitas within the section of Planning Area 13D located above (north) of Pelican Hill Road South. The structures will be visually similar to two-story single-family homes. As with the Lower Casitas, the units will be fully furnished timeshares. Each unit will have an assigned covered parking space, with guest parking provided throughout the development.

PROPOSED DESIGN MODIFICATIONS (Exhibit 7)

The four Coastal Development Permit submittal packages (Exhibits 3 through 6) reflect the same development as presented and reviewed in Draft SEIR 596. As a result of the comments received from property owners located above the proposal in Planning Area 1C, the applicant has revised three of the proposal Coastal Development Permits to reflect concerns raised by the homeowners. Exhibit 7 of this report shows the modifications proposed. These modifications, if approved, will be incorporated into the final Coastal Development Permits. The following is a brief discussion of the modification proposed to PA03-0076, PA03-0077 and PA03-0078 (no modifications are proposed for PA03-0075 – Lower Casitas).

PA03-0076 and PA03-0078 - Pelican Hill Inn and Pelican Hill Golf Club

The 473 space parking structure for PA03-0076 was previously designed to include rooftop parking. An additional level will now be added to the depth of the structure and the roof area will be landscaped to provide an aesthetic appearance of a cultivated garden when viewed from above. The same treatment will apply to the parking structure at the PA03-0077 - Pelican Hill Golf Club. The elimination of exposed rooftop parking will avoid potential light and noise impacts to the nearby residences.

PA03-0077 - Upper Casitas

The original design called for access to this development area via Pelican Hill Road South, directly across from the entrance to the Lower Casitas site, with the internal drive between the casitas and the adjacent slope. The modified plan will reverse the site layout. The casitas structures will be set back into the slope thereby allowing for the interior access drive and parking areas (both enclosed and on-street) to be constructed at a lower level in relation to the living areas of the casitas. The vehicular entry to the Upper Casitas site will be directly from Pelican Hill South, but offset from the Lower Casitas entry which further reduces vehicle headlight glare upon the upslope Pelican Crest neighborhood. Finally, a pedestrian activated traffic signal will be installed at the intersection of the Lower Casitas entry at Pelican Hill Road South thereby allowing pedestrians from the Upper Casitas to access the recreation center at the Lower Casitas and other resort amenities. These modifications will reduce the extent of the buildings visible from above and provide for more landscaping of the site, while addressing the concerns from the existing neighborhoods regarding potential light and noise associated with the previous design.

PROJECT GRADING AND DRAINAGE

The overall project mass grading will require approximately 1,050,000 cubic yards of excavation overall and 1,540,000 cubic yards of remedial grading. Approximately 105,000 cubic yards of import or export of earth may be required. Each Coastal Development Permit has a separate grading plan. A master drainage plan is part of the overall proposal. Each Coastal Development Permit has a separate drainage plan.

TENTATIVE TRACT MAPS

Associated with these Coastal Development Permit proposals are Vesting Tentative Tract Maps (VTTM) 16566, 16567 and 16568. These VTTMs establish final project boundaries and future divisions in the two casitas proposals. The Planning Commission is not approving the VTTMs, only the Coastal Development Permit that will allow the Orange County Subdivision Committee to approve the VTTMs. The conditions of approval of the three associated Coastal Development Permits (PA03-0075, PA03-0076 and PA03-0078) will be incorporated into the three proposed Vesting Tentative Tract Maps.

CONSISTENCY WITH LOCAL COASTAL PROGRAM SECOND AMENDMENT

The 1996-certified Local Coastal Program Second Amendment provides for the development of a destination resort in the Newport Coast Planned Community. Approval and construction of Pelican Hill will carry out the visitor-serving goals of the LCP and Coastal Act by:

- 1) Providing overnight and day-use facilities in close proximity to the Crystal Cove State Park;
- 2) Providing overnight and recreation facilities in this area of southwest Orange County, which the LCP indicates has a significant demand for such facilities;
- 3) Providing one of the planned-for components of the destination resort, which, unlike an isolated individual hotel, will provide a broad range of accommodations and recreational facilities ultimately combining to create a relatively self-contained, self-sufficient center for visitor activities; and
- 4) Enhancing traffic benefits in this area by providing overnight facilities near the state park and other coastal access opportunities, providing day-use commercial facilities for state park users, locating near transit facilities along Pacific Coast Highway, providing on-site recreational amenities and providing shuttle service to John Wayne Airport.

The proposed project complies with the LCP Environmentally Sensitive Habitat Area policies in that no development proposed in the Tourist Commercial Planning Areas will modify or eliminate Environmentally Sensitive Habitat Category Areas.

LAND USE PLAN POLICIES

The Local Coastal Program Second Amendment, Land Use Plan, discusses the resort as a component of the LCP in Chapter I-1.6. Chapter 5 addresses Development Policies for Planning Areas 13A through 13F which include:

- A maximum of 1,900 overnight/resort accommodations (a maximum of 2,150 overnight/resort accommodations in the entire Newport Coast PC including Planning Area 14). Of this total, (1) no more than 1,800 units may be individually owned; and (2) at least 350 units shall be hotel, motel or other non-individually owned, non-timesharing condominium resort accommodations.

Currently 700 time-share units have been approved in PA 13A and 13B for the Marriott Resort (PA98-0057 and PA01-0066). As a result of Coastal Commission actions and a series of Changed Plans, it is highly unlikely that resort facilities will be constructed in PA 14. However, an amendment to the LCP could transfer the units designated for PA 14 to other planning areas. Subtracting the 700 units in PA 13A and 13B from the 1,900 units permitted leaves 1,200 units available for this proposal. The total number of units proposed for the Pelican Hill resort is 408 (the 76 - Lower Casitas proposal counts as two units each because the units have 3 or more bedrooms). This project is therefore consistent with the development policies.

- A total of not more than 2.66 million square feet.

The four Coastal Development Permits have a total of 762,500 square feet and the Marriott was approved for 1,175,000 square feet for a total of square 1,937,500 feet in Planning Areas 13A through 13F. This project is therefore consistent with the development policies.

- A total of not more than 140,000 square feet of primary ballroom/exhibition space and individual meeting rooms, with no single, continuous primary ballroom/exhibition space exceeding 60,000 square feet.

Only the Pelican Hill Inn has meeting rooms or ballroom/exhibition space. The inn has a single conference/event center with 41,900 square feet. Smaller meeting rooms are proposed in the lower level of the hotel core. No other meeting areas are proposed in any other planning area within the resort. Therefore, the project is compatible with the restriction of continuous space and the restriction on total space. As proposed, there is a considerable reduction in the intensity for the area over what was contemplated in the certified Local Coastal program.

- Not more than 75,000 square feet in day use retail commercial facilities in addition to those included within hotels and other accommodations.

No such retail commercial facilities are proposed.

- Maximum heights not to exceed those depicted in Exhibit J to the LCP.

No structures proposed by the Coastal Development Permits will exceed these height restrictions.

The proposed project is consistent with the Development Policies stated above. It is also consistent with site-specific planning area development policies as identified in Section IV: Consistency Analysis, of each planning application.

Chapter 5 of the LCP contains regulations affecting development and identifies principal permitted uses and site development standards. Each planning application details these specifics for each planning area in Section IV: Consistency Analysis. The proposed project is consistent in each of these areas.

OTHER LAND USE POLICIES

The following policy areas are discussed in detail within each Coastal Development Permit Submittal Package for consistency and compliance:

- Archaeology and Paleontology
- Circulation
- Public Works/Infrastructure
- Drainage
- Landscaping
- Fuel Modification
- Natural Community Conservation Planning Program
- Resource Conservation and Management Policies

As described, the proposed project is consistent in each of these areas as they relate to the LCP regulations for each planning area.

RECOMMENDED ACTION:

RDMD/PDS/Current and Advance Planning Services recommends the Planning Commission:

- A. Receive staff presentation and public testimony as appropriate; and,
- B. Adopt the following Planning Commission Resolutions approving the Coastal Development Permits for the Pelican Hill Resort development in Planning Areas (PA) 10A, 13C-1, 13C-2, 13D-1, 13D-2 and 13F of the Newport Coast Planned Community/Local Coastal Program:
 1. Resolution No. 04-11 for PA03-0075, Pelican Hill Lower Casitas – PAs 13D-1 and 13D-2, including Appendix A – Findings and Appendix B – Conditions of Approval.
 2. Resolution No 04-12 for PA03-0076, Pelican Hill Inn – PAs 10A, 13C-1 and 13C-2, including Appendix A – Findings and Appendix B – Conditions of Approval.
 3. Resolution No.04-13 for PA03-0077, Pelican Hill Golf Club – PAs 13F and 10A, including Appendix A – Findings and Appendix B – Conditions of Approval.
 4. Resolution No. 04-14 for PA03-0078, Pelican Hill Upper Casitas – PA 13D-2, including Appendix A – Findings and Appendix B – Conditions of Approval.

Respectfully submitted

John B. Buzas, Manager
PDS/Current and Advanced Planning Services

WVM

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ATTACHMENTS:

- A. Draft Resolution No. 04-11 for PA03-0075, Pelican Hill Lower Casitas – PA 13D-1 and 13D-2; including Appendix A – Findings and Appendix B – Conditions of Approval
- B. Draft Resolution No 04-12 for PA03-0076, Pelican Hill Inn – PA 10A, 13C-1 and 13C-2; including Appendix A – Findings and Appendix B – Conditions of Approval
- C. Draft Resolution No.04-13 for PA03-0077, Pelican Hill Golf Club – PA 13F; including Appendix A – Findings and Appendix B – Conditions of Approval
- D. Draft Resolution No. 04-14 for PA03-0078, Pelican Hill Upper Casitas – PA 13D-2; including Appendix A – Findings and Appendix B – Conditions of Approval

EXHIBITS (Planning Commission only):

- 1. Air Photos of the Site
- 2. Determination of Appealability Letter from California Coastal Commission dated July 15, 2004
- 3. Coastal Development Permit Submittal Package for PA03-0075
- 4. Coastal Development Permit Submittal Package for PA03-0076
- 5. Coastal Development Permit Submittal Package for PA03-0077
- 6. Coastal Development Permit Submittal Package for PA03-0078
- 7. Proposed design modification to the proposed Coastal Development Permits in response to comments received on SEIR

APPEAL PROCEDURE:

Any interested person may appeal the decision of the Orange County Planning Commission on this permit to the Board of Supervisors within 15 calendar days of the decision upon submittal of required documents and a filing fee of 760.00 (per each Coastal Development Permit) filed at the Development Processing Center, 300 N. Flower St., Santa Ana. If you challenge the action taken on this proposal in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this report, or in written correspondence delivered to the Resources and Development Management Department.

Planning Application Numbers PA03-0075, PA03-0076, PA03-0077 and PA03-0078 are for Coastal Development Permits for development that lies outside of the California Coastal Commission's appeal jurisdiction and are therefore not appealable to the California Coastal Commission.